



STATE OF WASHINGTON

OFFICE OF THE INTERAGENCY COMMITTEE
1111 Washington Street SE
PO Box 40917
Olympia, WA 98504-0917

January 11, 2007

**TOPIC #1c: CITY OF LANGLEY
PHIL SIMON BOAT RAMP IMPROVEMENTS #05-1064D
COST INCREASE REQUEST**

Prepared By: Kammie Bunes

Approved by the Director: 

Presented By: Consent Calendar

Proposed Action:

IAC Board decision regarding an additional \$32,200 in Boating Facilities Program (BFP) funding for the City of Langley, Phil Simon Boat Ramp Improvements project.

Summary:

The City of Langley requests Board approval of a 17.2% cost increase which includes \$32,200 in additional BFP - Local project funds, and \$25,800 in local sponsor match, for a total increase of \$58,000. This increase will enable the City to complete the project. This request is consistent with IAC Policy Manual #7, Funded Projects: Policies & The Project Agreement, §2, Item 8.

Staff Recommendation:

IAC staff recommends approval of this request. Consent Calendar Resolution #2007-01 is provided for Board consideration.

Background:

At the November 2005 IAC meeting, the City of Langley was awarded a \$179,866 grant toward renovation of boating facilities at the Phil Simon Memorial Park. The City's original cost estimate for this project was developed in March 2005, as part of their grant application to IAC. The estimate was based on information gleaned from other recent public works projects in the area. However, once the grant was awarded, and the project was prepared for bid, the City found the funds available were inadequate to complete the scope of the project. They requested a cost increase in May 2006, but no BFP - Local funds were available at the time.



There are now adequate BFP - Local funds to grant the cost increase request, and if approved, the City will be able to put this project out for bid by the end of February, with construction expected to begin this Spring. The Port of South Whidbey has agreed to partner with the City and will provide most of the funds needed for the increased local match.

Analysis:

Granting the cost increase is cost efficient. If the City is not successful in getting this cost increase, they will pursue a reduced scope of work limited to the boat ramp element and the minimum required access improvements. Substantial mobilization costs will be incurred now, and will then have to be paid again in the future once the City is able to assemble the funds needed to complete the other improvements. These other elements include parking improvements, signage, lighting, landscaping and accessibility upgrades. Also, we expect construction costs will continue to increase, rather than go down. These rising costs will be in addition to a second mobilization fee.

The IAC policy on cost increases emphasizes timeliness, need and a good basis for the request. The City moved forward with design and permitting immediately upon receipt of the grant. The City factored inflation into development of their original cost estimate but it was not enough. While construction costs have been escalating statewide since 2003, we are seeing an even more dramatic increase in remote areas, largely due to transportation costs. Staff believes this request for a cost increase is consistent with the criteria specified.

Next Steps:

If the cost increase is approved, the Project Agreement will be amended to reflect the change. The timing is good for the next in-water work window that opens March 1, 2007. Work will be completed during the upcoming construction season.

Chart:

The following chart illustrates the original project agreement cost, the cost increase request, and the proposed project agreement total.

Project #05-1064D	Original Project Agreement	Cost Increase Request	Proposed Project Agreement Totals
IAC's BFP Grant	\$179,866	\$32,200	\$212,066
Sponsor's Match	\$157,200	\$25,800	\$183,000
Total Project Cost	\$337,066	\$58,000	\$395,066